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CORRECTION ISSUED 6/8/56, 8:55 a.m.

Control: 3974
Rec'd: June 7, 1956 7:38 a.m.

Action DCL
Info RMR SS G SP EUR NEA L UMSA E OLI JIA OSD TCA

FROM: Tripoli -- CORRECTED COPY

TO: Secretary of State

NO: 692, June 7, 10 a.m.

NIACT

Procedures set forth ICATO 361 politically unfeasible if not (repeat not) impossible carry out and contrary previous assurances given in Washington to USOM chief concerning method to be employed in handling development assistance funds. Persuading Libyans sign highly legalistic document of nature ICA form 10-5 would require months of negotiation and vitiate to large extent favorable impact revised US assistance offer.

Prime Minister and chairman LARC leave for London 11 June not (repeat not) to return before end June. Thus change in type of project agreement would make impossible signature agreements prior end fiscal year. Even additional exchange diplomatic notes will be difficult if not (repeat not) impossible accomplish in time remaining. It would be politically necessary proceed with project agreements and procedures as outlined TOICA A-573 even if time factor did not (repeat not) make it absolutely essential. I concur wholly with TOICA 427 concerning method procedure. Legalistic approach can only serve confirm in Libyan mind Soviet-Egyptian line US aid always accompanied by strings effectively limiting sovereignty.

TAPPIN

BB:ALR--16

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS SERVICES 6/8/56 JUN 8 1956 Budget ASSISTANT CHIEF FOR LIAISON

DEPARTMENT OF STATE A/CDC/MR REVIEWED BY G.M. Razi DATE May 6, 1982

JUN 5 1956

Correction made by RM/R

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